

Govt eyes \$1bn from sale of AI

New Delhi, Jan. 9: The government is eyeing around \$1 billion from the sale of national carrier Air India in the next financial year, a government official said.

The government will initiate the process of strategic disinvestment of Air India in the second half of 2019-20 and in between it would work towards selling some of its subsidiaries and monetise assets.

Air India has a debt burden of ₹55,000 crore. In November last year, a ministerial panel headed by finance minister Arun Jaitley had approved transferring ₹29,000 crore debt to a special purpose vehicle (SPV) — Air India Asset Holding Company.

“We are eyeing \$1 billion from the sale of Air India,” the official told PTI.

After a botched attempt to sell Air India in May last year, the Jaitley-led panel in June decided to scrap the stake sale plan for the time being.

It was decided to infuse more funds into the carrier and cut down debt by raising resources by selling land assets and other subsidiaries.

The government had initially planned to offload 76 per cent equity share capital of the national carrier as well as transfer the management control to private players.

The buyer was required to take over ₹24,000 crore debt of the carrier along with over ₹8,000 crore of liabilities.

However, the stake sale failed to attract any bidders when the bidding process completed on May 31.

— PTI